

# Statistical update on Services of General Interest (SGIs)

Based on the 2013 Cambridge Econometrics Report

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**Abstract** – Value added, employment and investment of Service of General Interest in EU27 are estimated for the year 2021.

**Jel Classification** – H420, I38

**Keywords** – Services of general interest, public services

# Table of contents

- 1. **Context** ..... 1
  - 1.1. Definition ..... 1
  - 1.2. Sources of data ..... 2
- 2. **Value added, employment and investment of SGIs** ..... 3

# List of tables

- Table 1 Definition of public services using the NACE Rev.2 classification ..... 1
- Table 2 Summary indicators for EU27 ..... 3

# 1. Context

At the request of the Minister for Economic Affairs, the Federal Planning Bureau has updated the statistics on value added, employment and investment of Services of General Interest (SGIs) as defined in the Cambridge Econometrics study, *Mapping evolutions in Public Services in Europe: towards increased knowledge of industrial relations* (May 2013)<sup>1</sup>.

## 1.1. Definition

The Appendix A<sup>2</sup> of the Cambridge Econometrics study gives the NACE Rev.2-based definition of public services used in 2013. This table is reproduced below and corresponds to the definition followed as much as possible by the present statistical update.

**Table 1 Definition of public services using the NACE Rev.2 classification**

<b>NACE Rev.2</b>	<b>SGI</b>
02.10 Silviculture and other forestry activities	ALL
02.40 Support services to forestry	ALL
35 - Electricity, gas, steam and air conditioning supply	ALL
36 - Water collection, treatment and supply	ALL
37 - Sewerage	ALL
38 - Waste collection, treatment and disposal activities; materials recovery	ALL
39 - Remediation activities and other waste management services	ALL
49 - Land transport and transport via pipelines	ALL except: 49.39 Other passenger land transport n.e.c., 49.42 Removal services, 49.32 Taxi
50 - Water transport	Only 50.3 - Inland passenger water transport
51 - Air transport	In part - estimated as 10% of NACE 51
52 - Warehousing and support activities for transportation	ALL
53.1 - Postal activities under universal service obligations	ALL
60.2 - Programming and broadcasting activities	In part - estimated as 40% of 60.2
61 - Telecommunications	61.1 Wired telecommunications activities 61.3 Satellite telecommunications activities

<sup>1</sup> Study commissioned by CEEP, [www.ceep.eu](http://www.ceep.eu)

<sup>2</sup> Pages 119 and 120.

<b>NACE Rev.2</b>	<b>SGI</b>
64 - Financial service activities, except insurance and pension funding	Only 64.11 central banking
72 - Scientific research and development	ALL
75 - Veterinary activities	ALL
78 - Employment activities	Only 78.1 Employment agencies
84 - Public administration and defence; compulsory social security	ALL
85 - Education	ALL
86 - Human health activities	ALL
87 - Residential care activities	ALL
88 - Social Work activities without accommodation	ALL
91 - Libraries, archives, museums and other cultural activities	ALL
96 - Other personal service activities	Only 96.03 Funeral and related activities

Source: Cambridge Econometrics, 2013.

Concerning investment, the Cambridge Econometrics study specifies in the notes below the Figure 3.5 that investment for SGIs is estimated as the sum of Gross Fixed Capital Formation for Public administration, Health and Education plus Gross Investment in Tangible Goods for the other SGIs.

## 1.2. Sources of data

The main data sources used in this update are Eurostat National Accounts and Eurostat Structural Business Statistics. The A64 breakdown of National Accounts for the geopolitical entity EU-27 (from 2020) is the source for value added and employment variables. Value added and persons employed (number) are further disaggregated using Structural Business Statistics for the same geopolitical entity. The most recent available year is 2021. Investment in Public administration, Health and Education comes from National Accounts of each Member State as Eurostat does not provide EU-27 Gross Fixed Capital Formation at sectoral level. For DE, DK, EE, HR, CY, LT, MT, PL, SI and SP for which these data are not available in 2021, Gross Fixed Capital Formation of General Government from General Government Expenditure by function (COFOG) is used. Investment in Electricity, gas, steam and air conditioning supply (NACE code 35) comes from National Accounts of 24 Member States<sup>3</sup>. No data is available for HR, CY and MT. Gross investment in Tangible non-current assets from the Structural Business Statistics for the geopolitical entity EU-27 is used for the other SGIs<sup>4</sup>. Given these limitations, the estimate of SGIs investment data can be considered to be very conservative.

<sup>3</sup> An alternative source is the gross investment in tangible non-current assets from the structural Business Statistics for the geopolitical entity EU-27 in Electricity, gas, steam and air conditioning supply. In 2021, this investment amounted to 98708.55 million of euro. However, this amount is an underestimation of the total investment of this industry as the sum for the 24 Member States for which data are available reached 110879.3 million of euro (DK 2019 most recent available year).

<sup>4</sup> For H52, M75 and N781, as no data on gross investment in tangible non-current assets is available, data on gross investment in machinery and equipment are used.

## 2. Value added, employment and investment of SGIs

In 2021, SGIs and public services generated € 3,721 billion of value added across the EU27 accounting for 28.4% of all value added in the EU27. In the meantime, they employed 31.1% of the EU27 workforce (65.2 million of persons for EU27) and represented 19.7% (€ 632.6 billion) of all investment undertaken in the EU27 in 2021.

**Table 2** Summary indicators for EU27

	2021	
	Level	Share of total economy %
Value added (€bn)	3,721	28.4
Employment ('000)	65,232	31.1
Investment (€bn)	632.6	19.7

The geopolitical area covers by the study is EU27 (from 2020). However, since the 2013 Cambridge Econometrics report, the coverage of EU27 has changed with the exit of UK and the entry of HR. This update follows the 2020 definition of EU27, limiting the comparison with previous results.

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